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1255 West 15<sup>th</sup> St., 805  
Plano, TX 75075  
T 972-578-1400  
F 972-346-6791

**IN THE UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

**IN RE:**

**RENÉ H. COUMANS**  
XXX-XX-1816  
3415 FM 1567 E.  
Como, TX 75431

**Debtor(s).**

**Case No.: 10-43677**

**Chapter: 11**  
[JOINT ADMINISTRATION REQUESTED]

**IN RE:**

**MOO TOWN DAIRY, L.L.C.**  
20-4909319  
3415 FM 1567 E.  
Como, TX 75431

**Debtor(s).**

**Case No.: 10-43676**

**Chapter: 11**  
[JOINT ADMINISTRATION REQUESTED]

**HEARING DATE: October 26, 2010**  
**HEARING TIME: 1:30 p.m.**

**DEBTOR'S EMERGENCY MOTION FOR ORDER AUTHORIZING  
THE INTERIM AND FINAL USE OF CASH COLLATERAL**

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**NOTICE**

**NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING WITHIN FOURTEEN (14) DAYS FROM THE DATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.**

TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

**COMES NOW**, René H. Coumans, and Moo Town Dairy, L.L.C., Debtors and Debtors in possession in the above-styled and numbered case (collectively, the “Debtor”), and files this *Debtor’s Emergency Motion for Order Authorizing the Interim Use of Cash Collateral* by and through the undersigned attorney. The Debtor requests the entry of an interim order substantially in the form attached hereto as Exhibit “A” (the “interim Order”) and a final order (the “Final Order”, and in conjunction with the Interim Order, the “Cash Collateral Orders”), pursuant to 11 U.S.C. §§ 105, 361, and 363 and Federal Rules of Bankruptcy Procedure 4001 and 9014: (a) authorizing the Debtor to use the cash collateral of the Secured Lender (defined *infra*) and granting adequate protection thereto; and (b) prescribing the form and manner of notice and setting the time for the final hearing on this Motion (the “Final Hearing”). The facts and circumstances supporting this Motion are set forth in the Affidavit of René Coumans (the “Coumans Affidavit”), filed concurrently herewith. In support thereof the Debtor respectfully shows the Court as follows:

### **I. JURISDICTION**

1. The Court has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. §1334(b) and the standing order of reference of the District Court. This matter is a core proceeding. 28 U.S.C. §§ 157(b)(1), (b)(2)(M).

2. Venue in this Court is proper under 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are sections 105, 361 and 363 of title 11 of United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and LBR 4001 of the United States Bankruptcy Court for the Eastern District of Texas (the “Court”).

## **II. BACKGROUND**

### **A. Procedural History**

4. This case was commenced by the filing of a voluntary petition under Chapter 11 of the United States Bankruptcy Code on October 25, 2010 (the “Petition Date”).

5. No trustee or examiner has been appointed, and no official committee of creditors has yet been established.

### **B. Business History and Operations**

6. The Debtor currently owns and operates a dairy farming operation located in Northeast Texas (the “Dairy Farm”).

7. René Coumans (“Coumans”) started Belle Vue Dairy (the “Dairy Farm”) in November, 1999, when he, along with his ex-spouse, purchased 164 acres of land and a small milk barn in Hopkins County, Texas. A small home adjacent to the original 164 acres was purchased soon thereafter and became Coumans’ present homestead. The Dairy Farm began operations utilizing the services of only Coumans and one employee.

8. In June, 2000, the Dairy Farm expanded its operations with the purchase of an additional 100 cattle. Coumans also implemented a heifer-raising program during 2000 which allowed the Dairy Farm to begin rearing heifer calves born on the farm for use as milk cows. This program allowed the Dairy Farm to: (1) replenish its herd size internally, thereby minimizing its need to purchase replacement milk cows; and (2) shield it from price fluctuations in the cattle market.

9. The Dairy Farm continued to expand its operations when, in 2002, with its lease of the Friskes Dairy. The lease of the Friskes Dairy facility allowed the Debtor to double its milking cattle herd size in three years to approximately 1000 milking cows in 2005.

10. The growth of the Dairy Farm operations attracted more favorable financing from larger national lenders. In 2004, the Debtor entered into a credit facility with Bank of the West.

11. In early 2005, the Debtor was presented with the opportunity to acquire additional land and facilities that would allow for indoor housing of milk cows and for the on-site production of feed. This facility is commonly referred to as the Moo Town Dairy. The Debtor entered into a three year lease-purchase agreement with the assistance of Agriland and Bank of the West to acquire the Moo Town Dairy. At this juncture, the Debtor's herd size increased to approximately 1800 to 1900 cattle housed on three facilities. The original Belle Vue Dairy housed approximately 800 cows, the leased Friskes Dairy about 300, and the newly acquired Moo Town Dairy about 750. The total number of employees rose to about 26.

12. In May, 2006, the Debtor further expanded its operations when it entered into an owner-financed agreement to purchase Sonador Dairy, LLC. This acquisition added 450 acres of land and an additional 700 head of cattle to the operation.

13. By July, 2006, the Debtor was housing approximately 2400 cows on the four facilities described above.

14. In August, 2006, the decision was made to terminate the lease of the Friskes Dairy to allow the Debtor to focus on the operation of the three larger, and more profitable, dairy locations.

15. In 2008, the Debtor created Bokito Farming, LLC ("Bokito"), to provide some separation of the dairy and farming aspects of its business operations. Bokito is currently on title to most, if not all, of the farming equipment.

16. The Debtor currently employs approximately 30 individuals who work with

approximately 1900 milking cows, 1000 head of dry cows in pasture, 45 breeding bulls, and approximately 2300 heifer calves of between 1 day and two years of age.

17. The Debtor's business operates 24/7 and is focused upon the care and feeding of dairy cows used in the production of milk for sale to wholesale buyers. The Debtor also generates additional revenue from the sale of certain cattle, primarily bull calves and/or older or non-producing dairy cows (collectively, the "Cull Cows").

18. The Debtor, like other dairy farming operations throughout the country, has faced serious economic challenges in the recent past. Milk prices plummeted to historic lows in 2009. Although milk prices have recovered somewhat during 2010, the pricing of product and the overall cost of production continue to provide challenges for the Dairy Farm's profitability. Adding to the Debtor's financial challenges is the fact that agricultural lenders are markedly less willing and/or able to work with borrowers to extend loan payments in the current economy. Despite all of the recent economic challenges faced by the Dairy industry, the Debtor has been profitable from day one and throughout the course of its business operations.

19. The case *sub judice* is basically a balance sheet restructuring case and not an operational restructuring case. The Debtor's assets and going concern value are worth less today than they were worth in 2004 when the Debtor most recently restructured its finances with Bank of the West. This case is filed to restructure an overleveraged balance sheet, not to restructure operations *per se*.

### **C. Secured Lenders**

20. In accord with Bankruptcy Rule 4001(b)(1)(B)(i) and (iii), the Debtor's secured obligations include the following creditors:

21. The following table reflects those secured creditors<sup>1</sup> that filed a UCC-1 financing statement in order to perfect a security interest in personal property:

LENDER		COLLATERAL
<b>DATCU Credit Union</b> P.O. Box 827 Denton, Texas 76202 FAX: 940-442-5520 <b>Date of Loan:</b> May 3, 2010 <b>Listed as Lienholder on title</b> <b>Obligor(s):</b> René H. Coumans		2005 Chevrolet C2500 VIN: 1GCHC24G55E238031
<b>Fifth Third Bank</b> P.O. Box 630778 Cincinnati, OH 45263 FAX: 513-561-6711 <b>Date of Loan:</b> February 18, 2006 <b>Listed as Lienholder on title</b> <b>Obligor(s):</b> René H. Coumans		GMC 2500 Pick Up
<b>Alliance Bank</b> P.O. Box 500 100 West Jefferson Street Sulphur Springs, TX 75483 FAX: 903-439-6724 <b>Date of Loan:</b> June 28, 2007 <b>Listed as Lienholder on title</b> <b>Obligor(s):</b> René H. Coumans		2006 Porsche SUV VIN: A26210
<b>Agriland, PCA</b> Box 795 Sulphur Springs, TX 75483 FAX: 903-885-9346 <b>UCC-1 Filed:</b> January 27, 2004 <b>Termination Filed:</b> November 15, 2004 <b>Continuation Statement Filed:</b> December 16, 2008 <b>Obligor(s):</b> René H. Coumans Anne Coumans-Van de Vijver <b>NOTE:</b> The Termination Statement appears to terminate the security interest as to René H. Coumans.		All milk and Accounts receivable from milk All crop, feed and feed inventories All livestock, branded or unbranded, or in the possession of debtor or hereafter acquired by way of replacement, substitution, increase or addition and/or inventory
<b>Agriland, PCA</b> Box 795 Sulphur Springs, TX 75483 FAX: 903-885-9346 <b>UCC-1 Filed:</b> August 10, 2004 <b>Amendment Filed:</b> October 20, 2004 <b>Continuation Statement Filed:</b> July 9, 2009		2004 Clayton Homes Mobile Home Mdl # Spirit III 56x14 Sn#CBH014007TX 2004 Clayton Homes Mobile Home Mdl # Spirit II 46x14 Sn#CBH014012TX Added by Amendment: 2004 Clayton Homes Spirit III 14X56 Model #35SP114563AH05 Mobile Home Sn#CBH01423TX

<sup>1</sup> Premised upon the UCC-1 filings and other related security documents reviewed to date of both the Debtor and affiliates of the Debtor.

**Obligor(s):** René H. Coumans  
Anne Coumans-Van de Vijver

**Bank of the West**

2035 Fresno Street, 6<sup>th</sup> Floor

Fresno, CA 93721

FAX: 402-918-7788

**UCC-1 Filed:** January 10, 2005

**Amendment Filed:** March 3, 2006

**Amendment Filed:** February 22, 2007

**Amendment Filed:** February 22, 2007

**Amendment Filed:** February 22, 2007

**Amendment Filed:** August 7, 2009

**Continuation Statement Filed:** July 20, 2009

**NOTE:** The March 3 Amendment terminated the security interest as to Anne Coumans-Van de Vijver.

**NOTE:** The February 22, 2007 Amendments added additional debtors and "restated" the collateral description.

**NOTE:** The Milk collateral description is qualified as "All California Department of Agriculture Milk Products Quota and Production Base...."

**Obligor(s):** René H. Coumans  
Anne Coumans-Van de Vijver

**Addl. Obligors (2/22/2007):** Moo Town Dairy, LLC  
Sonador Dairy, LLC

**Addl. Obligors (8/17/2009):** Bokito Farming, LLC

The Debtor hereby grants to the Secure Party and the assignee (if any) of the Secured Party a security interest in and to all of the following property in which the Debtor now has or hereafter acquires any right, title or interest, wheresoever located and whether in the possession of the Debtor or any other person, and all accession, improvements, additions, substitutions and replacements thereto and thereof, and all proceeds thereof (including but not limited to accounts, chattel paper, documents, instruments, deposit accounts and general intangibles)

"All assets whether now owned or hereafter acquired"

**Restated Collateral Description:** The Debtor hereby grants to the Secure Party and the assignee (if any) of the Secured Party a security interest in and to all of the following property in which the Debtor now has or hereafter acquires any right, title or interest, wheresoever located and whether in the possession of the Debtor or any other person, and all accession, improvements, additions, substitutions and replacements thereto and thereof, and all proceeds thereof (including but not limited to accounts, chattel paper, documents, instruments, deposit accounts and general intangibles)

Equipment ..., Inventory ..., Accounts ..., Documents ..., Monies ..., Crop ..., Livestock ..., Farm Products ..., Milk Products ..., Assets ....

**Agriland, PCA**

Box 795

Sulphur Springs, TX 75483

FAX: 903-885-9346

**UCC-1 Filed:** March 30, 2005

**Amendment Filed:** November 13, 2006

**Continuation Statement Filed:** November 24, 2009

1992 Fiat-Allis Wheel Loader MDL#FR10B SN#611577  
Fiat Tractor w/cab MFWD MDL#100-90 SN#353995  
Jako Manure Tank, Pump, 3200 Gal. MDL#3200 SN#4824  
Knight Pro Twin Slinger MDL#8030 SN#164  
United Farm Tools Silage Wagon MDL#4200  
United Farm Tools Silage Wagon MDL#4200  
1992 Miedema Silage Dump Wagon MDL#HST 125 SN#92-5015  
1200 Ft ABI Hose Reel w/Turbine Motor  
Katolight PTO Generator MDL#55AVR3 SN#96509  
10 Ft Great Plain No Till Drill SN#85-46U  
14 Ft JD Tandem Disc SN#011011A  
H&S 12 Wheel Rake SN#791631  
1999 Case-IH Mower/Conditioner MDL#8312 SN#CFH0108694  
1994 Dodge PU Diesel MDL#2500 SN#167K62603R5507294  
1994 Case Tractor, Cab MWFD MDL#7210 SN#JJA0054436  
2001 Case Skid Steer Loader MDL#1840 SN#361948  
2000 Case Tractor, MWFD MDL#MX110 SN#13750  
1999 Case Forage Chopper MFL#1500 SN#CFH0071720  
Great Bend Loader MDL#860 SN#13750  
Artsway Mixer Wagon MDL#1500 SN#AWSMIXL500990176  
Houle 4" Verticle Agri-Pump, w/6" Pipe MDL#NIP SN#1903-02272-63018  
OCMIS 100K PTO Pump Trailer Mounted SN#TV170SSL  
1998 Case Tractor, MWFD, Cab MDL#MX150 SN#JH0097023

**NOTE:** November 13 Amendment added additional collateral

**Obligor(s):** René H. Coumans  
Anne Coumans-Van de Vijver

**Additional Collateral:**

12Ft Scraper  
2006 Neckover Drop Deck Cattle Trailer MDL 40ft X 7'6" SN#1NGL40216T263457  
1995 Case Tractor MDL#9280 SN#JEE0033020  
Degelman Dozer Blade SN#21711  
Krause 30ft Chisel Plow  
Bigham Brothers 8 Leg Parratill SN#7305013

<b>Alliance Bank</b> 100 West Jefferson Street Sulphur Springs, TX 75483 FAX: 903-439-6724		Rake #002245 Kuhn Tedder #A2155 Case Tractor #025061
<b>UCC-1 Filed:</b>	April 15, 2005	
<b>Continuation Statement Filed:</b>	December 30, 2009	
<b>Obligor(s):</b>	René H. Coumans	
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286		CASEIH 9250 Tractor JEE34512 DEGELM 7200 Blade 112205
<b>UCC-1 Filed:</b>	March 6, 2007	
<b>Obligor(s):</b>	René H. Coumans	
<b>Alliance Bank</b> P.O. Box 500 100 West Jefferson Street Sulphur Springs, TX 75483 FAX: 903-439-6724		New Mixer Wagon Triollett 3200 ZK #09675
<b>UCC-1 Filed:</b>	April 10, 2007	
<b>Obligor(s):</b>	René H. Coumans	
<b>Legacy, FLCA</b> P.O. Box 468 303 Connally Street Sulphur Springs, TX 75482 FAX: 903-885-0886		All improvements, equipment, facilities or other machinery of every kind and description, used in the farming operation of the Debtor or Debtors, expressly including any and all additions, substitutions or replacements and all such equipment now owned or hereafter acquired, wherever located, and including all proceeds from the sale or disposition thereof, including insurance proceeds and including but not limited to any accounts, contract and general intangibles related thereto: Purchase money on a Case IH 8580 4x4 Square Baler #CFH0026858.
<b>UCC-1 Filed:</b>	June 1, 2007	
<b>Amendment Filed:</b>	June 24, 2010	
<b>NOTE:</b> Amendment added collateral		<b>Additional Collateral:</b> Case MX100 4wd tractor with Great Bender loader, John Deere 7405 135 HP Tractor with John Deere Loader, 2005 JX95 Tractor #J023996 with 2005 Case LX132 Loader #CAE020080
<b>Obligor(s):</b>	René H. Coumans	
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286		CASEIH 7150 Tractor JJA0045824
<b>UCC-1 Filed:</b>	June 21, 2007	
<b>Obligor(s):</b>	René H. Coumans	
<b>Diversified Financial Services, LLC</b> 14010 First National Bank Pkwy, Suite 400 Omaha, NE 68154 FAX: 888-922-4634		New Model 8000 Valley Pivot 747' 4T; New Model 4500M Cadman Hard Hose Drag Reel w/ Cadman 6003 3-Point Hose Caddy with 1320' 6" Hose & Cadman 2-nozzle Manure Boom; 1 New John Deere Engine, New 40KW John Deere Genset on Trailer, 30HP Floating Pump; 1600' 6" PIP PVC, 800' 8" IPS, 900' #6 Wire, Misc. Valves & Fittings; 10500' 10" IPS Pipe, 2500' #6 Wire; New Model 8000 Valley Pivot 800' 4-Tower.
<b>UCC-1 Filed:</b>	September 18, 2007	
<b>Obligor(s):</b>	René H. Coumans	



<b>Alliance Bank</b> P.O. Box 500 100 West Jefferson Street Sulphur Springs, TX 75483 FAX: 903-439-6724		New Trioliet 3200 Feed Wagon #10429-05, New Meyer 8865T Manor Wagon #088865300
<b>UCC-1 Filed:</b>	October 23, 2007	
<b>Obligor(s):</b>	René H. Coumans	
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286		CASEIH 115 Tractor Z7BE02686 CASEIH 115,Tractor Z7BE02860 CASEIH 115 Tractor Z7BE02680 CASEIH 115 Tractor Z7BE02838 CASEIH 110 Tractor Z7BE03001
<b>UCC-1 Filed:</b>	February 29, 2008	
<b>Obligor(s):</b>	René H. Coumans	
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286		CASEIH 125 Tractor Z8BE02184
<b>UCC-1 Filed:</b>	March 20, 2008	
<b>Obligor(s):</b>	René H. Coumans	
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286		CASEIH JX80 Tractor HFJ051272 CASEIH JX60 Tractor HFJ051272 CASEIH JX60 Tractor HFJ051095 CASEIH LX730 Loader Y7WLE4709 CASEIH LX720 Loader Y7WLA4306
<b>UCC-1 Filed:</b>	May 8, 2008	
<b>Obligor(s):</b>	René H. Coumans	
<b>Alliance Bank</b> P.O. Box 500 100 West Jefferson Street Sulphur Springs, TX 75483 FAX: 903-439-6724		New Sprayer Equipment #8004 VS21353-24 Controller #SCS 44- AECK
<b>UCC-1 Filed:</b>	June 2, 2008	
<b>Obligor(s):</b>	René H. Coumans	
<b>Alliance Bank</b> P.O. Box 500 100 West Jefferson Street Sulphur Springs, TX 75483 FAX: 903-439-6724		All Equipment now owned or hereafter acquired and all products and proceeds of the foregoing, together with all increases, including but not limited to: Triloliet 3200 Feed Wagon #10429-05 Meyer 8865T Manure Wagon #088865300 Case Tractor #025061 Rake #002245 Kuhn Tedder #A2155 Triollett 3200 ZK Mixer Wagon #09675 Sprayer Equipment #8004 VS 21353-24 Controller #SCS 440 AECK
<b>UCC-1 Filed:</b>	July 11, 2008	
<b>Obligor(s):</b>	Bokito Farming, LLC	
<b>Diversified Financial Services, LLC</b> 14010 First National Bank Pkwy, Suite 400 Omaha, NE 68154 FAX: 888-922-4634		1 New 2008 Model 8000 Valley Pivot 567' 3-Tower, 700' 6" PVC, 900' #6 Wire, 2 Surge Tanks, Rotophase, Misc. Valves & Fittings.
<b>UCC-1 Filed:</b>	September 4, 2008	
<b>Amendment Filed:</b>	September 4, 2008	
<b>NOTE:</b> Amendment restated collateral		
<b>Obligor(s):</b>	René H. Coumans	<b>Restated Collateral Description:</b> 1 New 2008 Model 8000 Valley Pivot 567' 3-Tower, 700' 6" PVC, 900' #6 Wire, 2 Surge Tanks, Rotophase, Misc. Valves & Fittings, 400' 6" PVC, 400' #6 Wire w/ 12/2, Surge Tank.

<b>VFS US LLC</b> P.O. Box 26131 Greensboro, NC 27402 FAX: 336 931 4008 <b>UCC-1 Filed:</b> October 22, 2008 <b>Amendment Filed:</b> October 24, 2008 <b>NOTE:</b> October 24 Amendment corrected address of obligor. <b>Obligor(s):</b> Bokito Farming, LLC		2008 Volvo L45 Serial Number ending in the last (4) numeric digits of 3011 with the following attachments: 94" Volvo Bucket s/n 94072; together with all parts, accessories, attachments, substitutions, repairs, improvements and replacements and any and all cash and non-cash proceeds thereof, including, without limitation, insurance proceeds.
<b>VFS US LLC</b> P.O. Box 26131 Greensboro, NC 27402 FAX: 336 931 4008 <b>UCC-1 Filed:</b> April 20, 2009 <b>Obligor(s):</b> Bokito Farming, LLC		2008 Volvo L45 Serial Number ending in the last (4) numeric digits of 2245 with all the standard attachments; together with all parts, accessories, attachments, substitutions, repairs, improvements and replacements and any and all cash and non-cash proceeds thereof, including, without limitation, insurance proceeds.
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286 <b>UCC-1 Filed:</b> July 3, 2009 <b>Obligor(s):</b> Bokito Farming, LLC		CASEIH 85U FARMALL Z9JL02372 CASEIH LX730 Loaders Y8WLE5089
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286 <b>UCC-1 Filed:</b> July 16, 2009 <b>Obligor(s):</b> Bokito Farming, LLC		CASEIH 85U FARMALL Z9JL02372 CASEIH LX730 Loaders Y8WLE5089
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286 <b>UCC-1 Filed:</b> July 2, 2010 <b>Obligor(s):</b> René H. Coumans		CASEIH 9250 Tractors 100PTO JCB0030720 Degelm 7200 Dozer Blade
<b>CNH Capital America, LLC</b> 100 Brubaker Avenue New Holland, PA 17557 FAX: 866-585-0286 <b>UCC-1 Filed:</b> September 17, 2010 <b>Obligor(s):</b> René H. Coumans		CASEIH 9330 Tractors 100PTO JEE0068910 Degelm 14-1 Blade 16037

The Debtor's secured obligations also include the following creditors<sup>2</sup>, which obligations are secured by real property:

<sup>2</sup> This is premised upon a review of the promissory notes and deeds of trust reviewed to date.

LENDER		COLLATERAL
<b>Legacy, FLCA</b> P.O. Box 468 303 Connally Street Sulphur Springs, TX 75482 FAX: 903-885-0886		Refer to number "7" on Exhibit "B" for general location of the subject real property.
<b>Date of Loan:</b>	Unknown as of Petition Date	
<b>Interest Rate:</b>	Unknown as of Petition Date	
<b>Maturity Date:</b>	Unknown as of Petition Date	
<b>Original Amount:</b>	Unknown as of Petition Date	
<b>Legacy, FLCA</b> P.O. Box 468 303 Connally Street Sulphur Springs, TX 75482 FAX: 903-885-0886		Refer to number "8" on Exhibit "B" for general location of the subject real property.
<b>Date of Loan:</b>	Unknown as of Petition Date	
<b>Interest Rate:</b>	Unknown as of Petition Date	
<b>Maturity Date:</b>	Unknown as of Petition Date	
<b>Original Amount:</b>	Unknown as of Petition Date	
<b>Legacy, FLCA</b> P.O. Box 468 303 Connally Street Sulphur Springs, TX 75482 FAX: 903-885-0886		Refer to number "9" on Exhibit "B" for general location of the subject real property.
<b>Date of Loan:</b>	November 30, 2006	
<b>Interest Rate:</b>	7.4%	
<b>Maturity Date:</b>	November 1, 2026	
<b>Original Amount:</b>	\$168,300.00	
<b>Legacy, FLCA</b> P.O. Box 468 303 Connally Street Sulphur Springs, TX 75482 FAX: 903-885-0886		Refer to number "10" on Exhibit "B" for general location of the subject real property.
<b>Date of Loan:</b>	Unknown as of Petition Date	
<b>Interest Rate:</b>	Unknown as of Petition Date	
<b>Maturity Date:</b>	Unknown as of Petition Date	
<b>Original Amount:</b>	Unknown as of Petition Date	
<b>Legacy, FLCA</b> P.O. Box 468 303 Connally Street Sulphur Springs, TX 75482 FAX: 903-885-0886		Refer to number "11" on Exhibit "B" for general location of the subject real property.
<b>Date of Loan:</b>	January 10, 2007	
<b>Interest Rate:</b>	7.45%	
<b>Maturity Date:</b>	January 1, 2027	
<b>Original Amount:</b>	\$178,500.00	

**Legacy, FLCA**

P.O. Box 468  
303 Connally Street  
Sulphur Springs, TX 75482  
FAX: 903-885-0886

Refer to number "12" on Exhibit "B" for general location of the subject real property.

**Date of Loan:** April 18, 2007  
**Interest Rate:** 8.5%  
**Maturity Date:** April 1, 2027  
**Original Amount:** \$276,200.00

**Legacy, FLCA**

P.O. Box 468  
303 Connally Street  
Sulphur Springs, TX 75482  
FAX: 903-885-0886

Refer to number "13" on Exhibit "B" for general location of the subject real property.

**Date of Loan:** August 17, 2007  
**Interest Rate:** 7.65%  
**Maturity Date:** **August 1, 2027**  
**Original Amount:** \$482,600.00

**Legacy, FLCA**

P.O. Box 468  
303 Connally Street  
Sulphur Springs, TX 75482  
FAX: 903-885-0886

Refer to number "14" on Exhibit "B" for general location of the subject real property.

**Date of Loan:** January 11, 2008  
**Interest Rate:** 7%  
**Maturity Date:** January 1, 2028  
**Original Amount:** \$453,400.00

**Legacy, FLCA**

P.O. Box 468  
303 Connally Street  
Sulphur Springs, TX 75482  
FAX: 903-885-0886

Refer to number "15" on Exhibit "B" for general location of the subject real property.

**Date of Loan:** October 15, 2008  
**Interest Rate:** 0.25% over prime  
**Maturity Date:** February 1, 2024  
**Original Amount:** \$275,000.00

**Dan Wayne Humphrey**

632 Beth Lane  
Sulphur Springs, TX 75482  
FAX:

Refer to number "1" on Exhibit "B" for general location of the subject real property.

**Date of Loan:** May 22, 2006  
**Interest Rate:** 8%  
**Maturity Date:** May 22, 2026  
**Original Amount:** 1,400,000.00

**Agriland, PCA**

P.O. Box 120010

Tyler, TX 75712

FAX: 903-885-9346

**Date of Loan:** July 6, 2007**Interest Rate:** 8%**Maturity Date:** July 1, 2012**Original Amount:** \$20,565.00

Refer to number "5" on Exhibit "B" for general location of the subject real property.

**Bank of the West**2035 Fresno Street, 6<sup>th</sup> Floor

Fresno, CA 93721

FAX: 402-918-7788

**LIVESTOCK ACQUISITION FACILITY****Date of Loan:** August 7, 2009**Interest Rate:** Applicable Floating Rate plus 2.75% See UCC-1 Filing information *supra*.**Maturity Date:** January 20, 2010**Debt Ceiling:** \$4,850,000.00**ACQUISITION FEED LINE OF CREDIT****Date of Loan:** August 7, 2009**Interest Rate:** Applicable Floating Rate plus 2.75% See UCC-1 Filing information *supra*.**Maturity Date:** January 20, 2010**Debt Ceiling:** \$1,400,000.00**TERM LOAN****Date of Loan:** August 7, 2009**Interest Rate:** Applicable Floating Rate plus 1.75% Refer to number "16" on Exhibit "B" for general location of the subject real property.**Maturity Date:** May 20, 2018**Original Amount:** \$2,346,000.00

22. Coumans financed all of the equipment<sup>3</sup> used in the operation of the Dairy Farm through CNH Capital America, LLC ("CNH") and Alliance Bank ("Alliance"). While Coumans has multiple obligations due and owing to CNH, as is reflected by the numerous UCC-1 filings set forth *supra*, Alliance and Coumans consolidated the multiple Alliance debts into a single obligation. This consolidation is reflected in the July 11, 2008, UCC-1 filing by Alliance. The balance due and owing to CNH is approximately \$255,000.00. The balance due and owing to Alliance is approximately 35,000.00.

23. The irrigation equipment that is utilized by the Dairy Farm (the "Pivots") were

<sup>3</sup> It should be noted that much, if not all, of the personal property utilized in the dairy farm operation is currently titled in the name of Bokito. In those instances where title was transferred to Bokito, Couman's remained on the obligations and Bokito assumed the obligation.

financed by Diversified Financial Services (“DFS”). Coumans is the sole obligor on the DFS obligations, which total, in the aggregate, approximately \$99,000.00.

24. Coumans is also the primary obligor on multiple real estate obligations due and owing to Legacy, FLCA (“Legacy”). These obligations were incurred over the years as the Debtor grew and expanded the Dairy Farm operations. Coumans is currently obligated to Legacy in the approximate sum of \$2,776,000.00, which obligations are secured by nine (9) separate deeds of trust.

25. It should also be noted that Agriland, PCA (“Agriland”) is secured by a 1.5 acre parcel and four mobile homes. The total obligation due and owing to Agriland by Coumans is \$20,600.00, of which only \$7,180.00 is secured by any real property.

26. The Humphrey obligation, as stated *supra*, is a lease purchase agreement that covers approximately 455 acres. Coumans is obligated to the Humphreys in the approximate principal sum of \$1,220,000.00.

27. The Bank of the West (“Secured Lender”), through the credit facility entered into by and between Bank of the West, Coumans, Bokito, and Moo Town Dairy accounts for approximately \$8,235,000.00 of the Dairy Farm debt. The breakdown of the Secured Lender credit facility, in approximate numbers, is as follows:

- a. Livestock Acquisition Facility: \$4,835,000.00
- b. Acquisition Feed Line of Credit: \$1,400,000.00
- c. Term Loan: \$2,000,000.00

28. The Secured Lender asserts that it is secured by first priority liens on and security interests in substantially all Dairy Farm’s personal property (excluding the farm equipment, but including all cattle, crops, and farm products) and about one-quarter of the real property

(collectively, the “Prepetition Collateral”) except as specifically identified *supra*.

### **III. RELIEF REQUESTED**

29. By this Motion and pursuant to 11 U.S.C. §§ 105, 361 and 363 of the Bankruptcy Code and Bankruptcy Rules 4001 and 9014, the Debtor requests that the Court grant the following relief:

- a. Authorize the Debtor, **on an interim basis**, pursuant to section 363(c) of the Bankruptcy Code, to use proceeds of assets on which Secured Lender asserts a first priority lien and security interest (the “Cash Collateral”)<sup>4</sup> in accord with the budget attached hereto as Exhibit “C” and incorporated herein by this reference (the “Budget”);
- b. Authorize the Debtor, **on an interim basis**, pursuant to sections 361 and 363 of the Bankruptcy Code, or provide the adequate protection described herein to the Secured Lender as regards any diminution in value of the Secured Lender’s interest in the Prepetition Collateral, whether from the use of Cash Collateral or the use, sale lease, depreciation, decline in value, or otherwise of said collateral;
- c. Schedule the Final Hearing pursuant to Bankruptcy Rule 4001 no later than fourteen (14) days after the entry of the Interim Order, to consider the entry of a Final Order authorizing the use of Cash Collateral and approving the notice procedures relative thereto;
- d. Authorize the Debtor, **on a final basis**, pursuant to 363(c) of the Bankruptcy Code, to use the Cash Collateral in accord with the Budget and any supplemental budgets as approved by the Court after further notice and hearing; and
- e. Authorize the Debtor, **on a final basis**, pursuant to sections 361 and 363 of the Bankruptcy Code to provide the adequate protection described herein to the Secured Lender as regards any diminution in value of the Secured Lender’s interest in the Prepetition Collateral, whether from the use of Cash Collateral or the use, sale lease, depreciation, decline in value, or otherwise of said collateral.

### **IV. BASIS FOR RELIEF**

#### **A. Immediate Need for Use of Cash Collateral**

30. The Debtor has an immediate need for the use of Cash Collateral pending a final

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<sup>4</sup> The Debtor does not hereby admit or consent to the validity, priority, extent or enforceability of the liens asserted by Secured Lender and hereby reserves all rights with respect thereto.

hearing on this Motion. Accordingly, the Debtor seeks to use Cash Collateral existing on or after the Petition Date that may be subject to the Secured Lender's interest in the Prepetition Collateral. As of the Petition Date, the Debtor's lack sufficient unencumbered cash to fund their business operation.

31. Absent the ability to use Cash Collateral, the Debtor will not be able to pay wages, insurance, utility charges and other critical operating expenses such as feed. Consequently, without access to cash collateral, the Debtor will no longer be able to maintain its business operation and continue its restructuring efforts. In short, the Debtor's bankruptcy estate would be irreparably and immediately harmed.

32. The Debtor cannot obtain funds sufficient to administer the bankruptcy estate and operate the business other than by obtaining the relief requested herein pursuant to section 363 of the Bankruptcy Code.

33. The Debtor has formulated a Budget for the use of Cash Collateral from the Petition Date through two weeks thereafter. The Debtor believes that the Budget includes all reasonable, necessary and foreseeable expenses to be incurred in the ordinary course of business during the subject time period. The use of Cash Collateral by the Debtor during this interim period will provide the Debtor with the ability to pay administrative expenses as they become due and payable during the period covered by the Budget.

34. The Debtor's right to use Cash Collateral under the terms of the Interim Order will commence on the date of the entry of the Interim Order and expire on the earlier of: (a) the entry of a subsequent interim order; or (b) the entry of the Final Order.

#### **B. Adequate Protection**

35. In consideration for the interim use of cash collateral, and as adequate



protection for any diminution of the interest of the Secured Lender in the Prepetition Collateral, the Debtor hereby tenders, to the extent the Secured Lender may hold valid, perfected and unavoidable security interests in the Prepetition Collateral without any requirement to file any documents to perfect that interest, adequate protection in the following form:

**The granting of postpetition security interests equivalent to a lien granted under sections 364(c)(2) and (3) of the Bankruptcy Code (the “Replacement Liens”), as applicable, in and upon the Debtor’s real and personal property and the Cash Collateral, whether such property was acquired before or after the Petition Date.**

36. In addition to the Replacement Liens, the Secured Lender is adequately protected as a result of the continued business operations. But for the continued operation of the Debtor, it will be forced to liquidate its assets absent the added value provided by a going concern.

37. In summary, the Debtor submits that the Secured Lender is adequately protected by the proposed Replacement Liens and by the continued operation of the business as a going concern thereby preventing any diminution in the value of the Prepetition Collateral.

#### **C. Request for Final Hearing**

38. Pursuant to Bankruptcy Rule 4001(b)(2), the Debtor requests that this Court set a date for the Final Hearing that is as soon as practicable, but in no event later than fourteen (14) days following the entry of the Interim Order, and the time and date prior to the Final hearing for parties to file objections to this Motion.

#### **V. BANKRUPTCY RULE 4001(b)**

39. The Debtor submits that the facts set forth in the Declaration of René Coumans in Support of First Day Motions filed contemporaneously herewith establish that “the relief requested herein is necessary to avoid immediate and irreparable harm” to the Debtor.

Bankruptcy Rule 4001(b)(2). Accordingly, Bankruptcy Rule 4001 is satisfied.

## **VII. NOTICE**

40. Bankruptcy Rules 4001 and 9014 generally require that any proceeding to use cash collateral be made only upon Motion and on notice to any other entity that has an interest in the Cash Collateral, the Committee that may be appointed under the Code, and such other entities as the Court may direct.

41. Notice of this Motion has been given via email or facsimile transmission to: (1) the Office of the United States Trustee for the Eastern District of Texas; and (2) each of the Secured Lenders as identified in the Mailing Matrix *infra*. Each of the Debtor's unsecured creditors and any additional parties identified on the attached Mailing Matrix were served via US Mail.

WHEREFORE, PREMISES CONSIDERED, the Debtor respectfully requests that the Court enter an Interim Order on an emergency basis granting the relief requested herein, establishing a date and time for the Final Hearing, and providing for such other and further relief to which the Debtor may be justly entitled.

Respectfully submitted,

Dated: October 25, 2010

/s/ Robert T. DeMarco

**DeMarco•Mitchell, PLLC**

Robert T. DeMarco, Texas Bar No. 24014543

**Email** robert@demarcomitchell.com

Michael S. Mitchell, Texas Bar No. 00788065

**Email** mike@demarcomitchell.com

1255 W. 15<sup>th</sup> Street, 805

Plano, TX 75075

**T** 972-578-1400

**F** 972-346-6791

***Proposed Counsel for Debtor and Debtor in Possession***

## **CERTIFICATE OF SERVICE**

The undersigned counsel hereby certifies that true and correct copies of the foregoing pleading and all attachments were served upon all parties listed below in accordance with applicable rules of bankruptcy procedure on this 25<sup>th</sup> day of October, 2010. Where possible, service was made electronically via the Court's ECF noticing system or via facsimile transmission where a facsimile number is set forth below. Where such electronic service was not possible, service was made via regular first class mail.

### **DEBTOR**

René Coumans  
3415 FM 1567 E  
Como, TX 75433  
FAX: 903-488-9137

MOO TOWN DAIRY, L.L.C.  
3415 FM 1567 E.  
Como, TX 75431  
FAX: 903-488-9137

### **TRUSTEE**

**Office of the United States Trustee**  
110 N. College Avenue  
Suite 300  
Tyler, TX 75702  
FAX: 903-590-1461  
Email: [USTPRegion06.TY.ECF@usdoj.gov](mailto:USTPRegion06.TY.ECF@usdoj.gov)

### **SECURED LENDERS**

**Legacy, FLCA**  
P.O. Box 468  
303 Connally Street  
Sulphur Springs, TX 75482  
FAX: 903-885-0886

**DATCU Credit Union**  
P.O. Box 827  
Denton, Texas 76202  
FAX: 940-442-5520

**Alliance Bank**  
P.O. Box 500  
100 West Jefferson Street  
Sulphur Springs, TX 75483  
FAX: 903-439-6724

**Agriland, PCA**  
Box 795  
Sulphur Springs, TX 75483  
FAX: 903-885-9346

**Bank of the West**  
2035 Fresno Street, 6<sup>th</sup> Floor  
Fresno, CA 93721  
FAX: 402-918-7788

**CNH Capital America, LLC**  
100 Brubaker Avenue  
New Holland, PA 17557  
FAX: 866-585-0286

**Diversified Financial Services, LLC**  
14010 First National Bank Pkwy, Suite 400

**VFS US LLC**  
P.O. Box 26131

Omaha, NE 68154  
FAX: 888-922-4634

Greensboro, NC 27402  
FAX: 336-931-4008

**Dan Wayne Humphrey**  
632 Beth Lane  
Sulphur Springs, TX 75482  
FAX:

**Fifth Third Bank**  
P.O. Box 630778  
Cincinnati, OH 45263  
FAX: 513-561-6711

**PARTIES IN INTEREST / REQUESTING NOTICE**

**Lone Star Milk Producers**  
217 Baird Lane  
Windhorst, TX 76389-6023  
FAX: 940-378-2571

*/s/ Robert T. DeMarco*

**DeMarco•Mitchell, PLLC**

Robert T. DeMarco, Texas Bar No. 24014543

**Email** robert@demarcomitchell.com

Michael S. Mitchell, Texas Bar No. 00788065

**Email** mike@demarcomitchell.com

1255 W. 15<sup>th</sup> Street, 805

Plano, TX 75075

**T** 972-578-1400

**F** 972-346-6791

***Proposed Counsel for Debtor and  
Debtor in Possession***

# EXHIBIT “A”

**IN THE UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

**IN RE:**

**RENÉ H. COUMANS**

XXX-XX-1816  
3415 FM 1567 E.  
Como, TX 75431

**Debtor(s).**

**Case No.: 10-43677**

**Chapter: 11**

**[JOINT ADMINISTRATION REQUESTED]**

**IN RE:**

**MOO TOWN DAIRY, L.L.C.**

20-4909319  
3415 FM 1567 E.  
Como, TX 75431

**Debtor(s).**

**Case No.: 10-43676**

**Chapter: 11**

**[JOINT ADMINISTRATION REQUESTED]**

**HEARING DATE: October 26, 2010**

**HEARING TIME: 1:30 p.m.**

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**ORDER AUTHORIZING THE INTERIM USE OF CASH COLLATERAL**

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On this day came on for consideration the Debtor's Emergency Motion for Order Authorizing the Interim and Final Use of Cash Collateral (the "Motion"). The Motion is made pursuant to 11 U.S.C. §§ 105, 361 and 363 and Federal Rules of Bankruptcy Procedure 4001 and 9014: (a) authorizing the Debtor to use cash collateral of existing secured lenders and granting adequate protection to existing secured lenders for the use of their cash collateral; and (b) prescribing the form and manner of notice and setting the time for the final hearing (the "Final Hearing") on the Motion. Upon review of the Motion, the Affidavit of René Coumans and based upon the evidence presented to this Court at the interim hearing on the Motion (the "Interim Hearing"), the Court hereby makes the following findings of fact and conclusions of law:

1. Adequate and sufficient notice of the Motion and the Interim Hearing has been provided to all persons entitled thereto pursuant to Rules 2002 and 4001 of the Federal Rules of Bankruptcy Procedure.

2. This matter constitutes a "core proceeding" within the meaning of 28 U.S.C. § 157.

3. This Court has jurisdiction over the parties and the subject matter of this proceeding pursuant to 28 U.S.C. §§ 1334 and 157.

4. The Debtor commenced the case *sub judice* on October 13, 2010 (the “Petition Date”) by the filing of a petition for relief under chapter 11 of the Bankruptcy Code.

5. The Debtor continues in possession of its properties and continues to operate its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. The Bank of the West (“Secured Lender”), through the credit facility entered into by and between Bank of the West, Coumans, Bokito, and Moo Town Dairy accounts for approximately \$8,235,000.00 of the Dairy Farm debt. The breakdown of the Secured Lender credit facility, in approximate numbers, is as follows:

- a. Livestock Acquisition Facility: \$4,835,000.00
- b. Acquisition Feed Line of Credit: \$1,400,000.00
- c. Term Loan: \$2,000,000.00

7. The Secured Lender asserts that it is secured by first priority liens on and security interests in substantially all Dairy Farm’s personal property (with the exception of the equipment, but including all livestock and other farm products) and about one-half of the real property (collectively, the “Prepetition Collateral”) and the proceeds thereof (the “Cash Collateral”).

8. The Debtor owns and operates a relatively large dairy farm in East Texas.

9. Pursuant to sections 363(a) and 552(b) of the Bankruptcy Code, the Cash Collateral held by the Debtor’s may constitute “cash collateral” within the meaning of section 363(a) of the Bankruptcy Code. The Secured Lender asserts that it has an interest in the Cash Collateral within the meaning of sections 363(c)(2) and 363(e) of the Bankruptcy Code.

10. The Debtor has an immediate need to use Cash Collateral on an interim basis to, among other things, fund payroll obligations and pay other operating expenses, including feed, in accordance with the budget attached hereto as Exhibit "A" and incorporated herein by this reference.

11. Good cause has been shown for entry of this interim cash collateral order (the "Interim Order"), as an immediate and critical need exists for the Debtor to be permitted access to the Cash Collateral.

12. Absent access to the Cash Collateral the Debtor's estate would be immediately and irreparably harmed.

13. This Interim Order is entered into pursuant to, and in accord with sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b).

**ACCORDINGLY, IT IS ORDERED THAT:**

1. The Debtors are permitted to use Cash Collateral, in accord with the Budget, provided, that the Debtor may exceed any line item in the Budget by up to ten percent (10%). The Budget may be updated and modified through the date of the Final Hearing by: (a) consensual agreement of the Debtor and the Secured Lender; or (b) by further order of this Court.

2. The Debtor's right to use Cash Collateral under the Interim Order shall commence on the date of entry of the Interim Order and expire on the earlier of: (a) the entry of a subsequent interim cash collateral order; or (b) the entry of a Final Order.

3. As adequate protection of the Secured Lender's interest, if any, in the Cash Collateral pursuant to sections 361 and 363(e) of the Bankruptcy Code to the extent of any diminution in value from the use of the Collateral the Court hereby grants the Secured Lender replacement security liens on and replacement liens on all of the Debtor's real and personal



property (the "Replacement Liens"), whether such property was acquired before or after the Petition Date.

4. Such Replacement Liens are exclusive of any avoidance actions available to the Debtor's bankruptcy estate pursuant to sections 544, 545, 547, 548, 549, 550, 553(b) and 724(a) of the Bankruptcy Code and the proceeds thereof.

5. Further, such Replacement Liens shall be equal to the aggregate diminution in value of the Collateral, if any, that occurs from and after the Petition Date. The Replacement Liens shall be of the same validity and priority as the liens of the Secured Lender on the prepetition Collateral.

6. The Replacement Liens granted herein shall maintain the same priority, validity and enforceability as the Secured Lender's liens on the prepetition Collateral. The Secured Lender shall not be required to file or serve financing statements, notices of liens or similar interests which otherwise may be required under federal or state law in any jurisdiction, or take any action, including taking possession, to validate and perfect such Replacement Liens.

7. The Replacements Liens shall be subject and subordinate to: (a) professional fees and expenses of the attorneys, financial advisors and other professionals retained by the Debtors in the amounts set forth in the Budget and any supplemental budget approved by the Court and/or consented to by the Secured Lender; and (b) any and all fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6) and the Clerk of the Bankruptcy Court (collectively, the "Carve Out").

8. This Interim Order is without prejudice to the rights of the Secured Lender or the Debtor as to any further order regarding the use of Cash Collateral as to the request for payment of any other expenses incurred during the period covered by this Interim Order.

9. This Interim Order is without prejudice to the rights of any party-in-interest,

including the debtor, to contest the priority, validity and enforceability of the Secured Lender's liens and security interests in and to the prepetition Collateral.

10. During the term of this Interim Order the Debtor shall comply with all terms and conditions of the loan documents executed by the Debtor and the Secured Lender, including but not limited to the reporting requirements set forth therein, except to the extent modified herein.

11. The Final Hearing to consider the entry of a Final Order authorizing and approving the use of Cash Collateral is hereby scheduled for **November** \_\_\_\_, **2010**, at \_\_:\_\_\_ \_\_.m.

12. This Interim Order is and shall be fully effective upon its entry.

**ORDER SUBMITTED BY:**

*/s/ Robert T. DeMarco*

**DeMarco•Mitchell, PLLC**

Robert T. DeMarco, Texas Bar No. 24014543

**Email** robert@demarcomitchell.com

Michael S. Mitchell, Texas Bar No. 00788065

**Email** mike@demarcomitchell.com

1255 W. 15<sup>th</sup> Street, 805

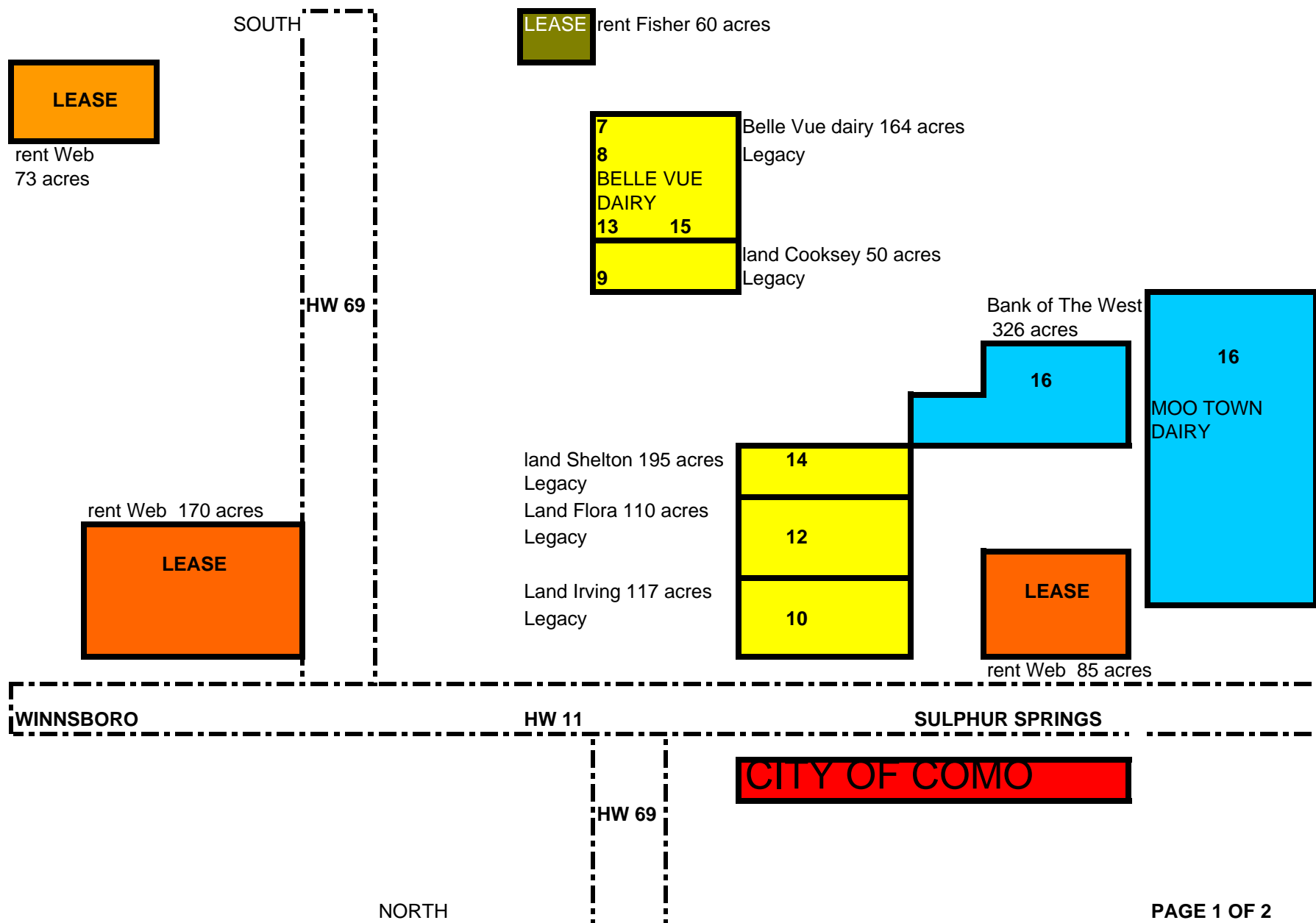
Plano, TX 75075

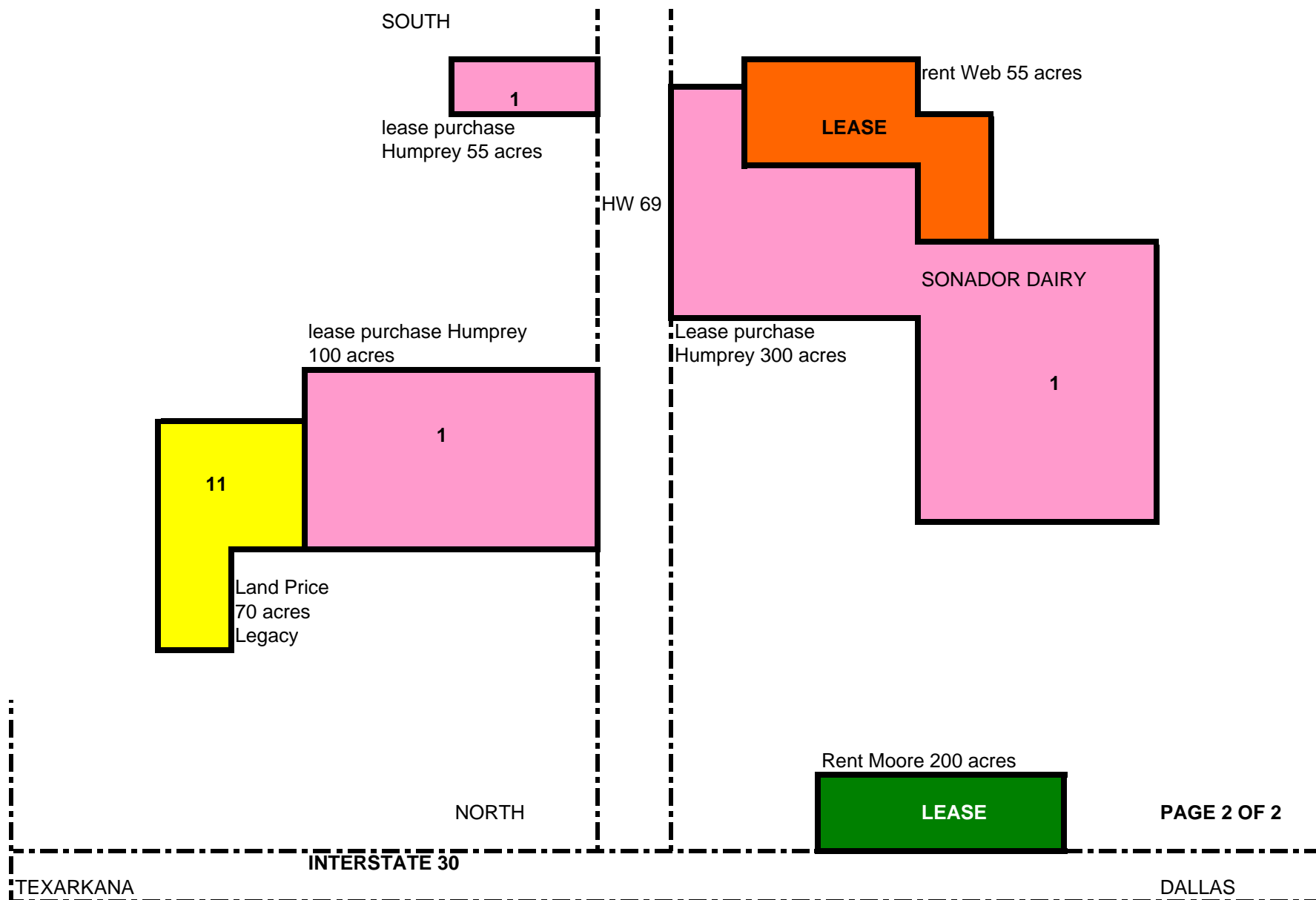
**T** 972-578-1400

**F** 972-346-6791

***Proposed Counsel for Debtor and  
Debtor in Possession***

# EXHIBIT “B”





# EXHIBIT “C”

Budget 10-25-10 through 11-8-10					
Belle Vue					
Sprint	5-Nov			\$515.82	
Waste Management	1-Nov			\$138.02	
Wood County Electric	25-Oct			\$8.35	
Payroll				\$10,000.00	
repairs				\$2,000.00	
vet				\$2,000.00	
Feed				\$62,000.00	
custom work				\$4,000.00	
fuel				\$1,000.00	
					\$81,662.19
Moo Town					
Payroll				\$10,000.00	
repairs				\$2,000.00	
vet				\$2,000.00	
Feed				\$45,000.00	
custom work				\$4,000.00	
Waste Management	1-Nov			\$138.02	
fuel				\$1,000.00	
					\$64,138.02
Payroll - Uncleared Checks				\$3,150.00	\$3,150.00
				TOTAL	\$148,950.21

EXHIBIT "C"

Label Matrix for local noticing  
0540-4  
Case 10-43676  
Eastern District of Texas  
Sherman  
Mon Oct 25 08:25:11 CDT 2010

Alliance  
P.O.Box 500  
Sulphur Springs, TX 75483-0500

Attorney General of Texas  
Bankruptcy Reporting Contact  
OAG/CSD/Mail Code 38  
P.O. Box 12017  
Austin, TX 78711-2017

Bank of the West  
1075 Horsetooth Rd.  
Suite 208  
Fort Collins, CO 80526-5984

COBA  
1224 Alton Darby Creek Rd.  
Columbus, OH 43228-9792

Carlton Rice Hulls  
P.O.Box 125  
Prim, AR 72130-0125

Citibusiness Card  
P.O. Box 183051  
Columbus, OH 43218-3051

Commodity Specialist  
P.O.Box 795219  
St.Louis, MO 63179-0701

DATCU  
P.O.Box 827  
Denton, TX 76202-0827

Dejoux Red River Farms Inc  
18644 FM 197  
Sumner, TX 75486-3202

Agriland  
3210 WNW Loop 323  
Tyler, TX 75702-1302

Alliance Bank  
P.O.Box 500  
Sulphur Springs, TX 75483-0500

Attorney General of Texas  
Taxation Division - Bankruptcy  
Box 12548 Capitol Station  
Austin, TX 78711-2548

CNH  
P.O.Box 894703  
Los Angeles, CA 90189-4703

Capitol One Bank  
P.O. Box 60599  
City of Industry, CA 91716-0599

Central Plains Trading  
4330 Shawnee Mission Parkway  
Suite 210  
Fairway, KS 66205-2522

Cody West  
2351 FM 1506  
Paris, TX 75460-5124

Craddock Davis & Krause  
3100 Monticello Ave  
Suite 550  
Dallas, TX 75205-3466

Davis & Goldfarb  
1219 Marquette Avenue South  
Suite 200  
Minneapolis, MN 55403-2486

Dick Meyer bv  
N236 3rd court  
Coloma, WI 54930-9000

Alexander Alfalfa  
P.O.Box 7  
Hardtner, KS 67057-0007

American Express  
P.O. Box 650448  
Dallas, TX 75265-0448

Baker  
123 N Walnut Street  
Peabody, KX 66866-1059

CNH Capitol  
P.O. Box 1083  
Evansville, IN 47706-1083

Cardmember Service  
P.O. Box 94014  
Palatine, IL 60094-4014

Chase  
P.O.Box 94014  
Palatine, IL 60094-4014

Commercial Glass  
405 IH 30 West  
Sulphur Springs, TX 75482-3685

Crop Production Services  
2902 S Church St  
Paris, TX 75462-8906

Robert T. DeMarco  
DeMarco-Mitchell, PLLC  
1255 West 15th St., 805  
Plano, TX 75075-7225

Diversified  
P.O.Box 95662  
Chicago, IL 60694-5662



Electric Motor Com  
P.O.Box 892  
1101 Como St.  
Sulphur Springs, TX 75482-4549

Fifth Third  
P.O.Box 630778  
Cincinnati, OH 45263-0778

Forshey Prostok  
777 Main St.  
Suite 1290  
Fort Worth, TX 76102-5316

Frazer Frost LLP  
135 S. State College Blvd..  
Suite 300  
Brea, CA 92821-5819

Genske Mulder Co.  
4150 E. Concourse Street  
Suite 250  
Ontario, CA 91764-5915

Hopkins County Vet Clinic  
129 Hillcrest Dr.  
Sulphur Springs, TX 75482-3644

(p)INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 21126  
PHILADELPHIA PA 19114-0326

Johnsons Rainmaker  
816 SW 26th Place  
El Reno, OK 73036-5874

Jongsma harvesting  
5664 N FM 2869  
Winnsboro, TX 75494-7492

Kahn Soares Conway  
1415 L Street  
Suite 400  
Sacramento, CA 95814-3963

Legacy Commodities  
P.O.Box 1629  
Little Elm, TX 75068-1629

Legacy Commodities  
P.O.Box 1629  
Little Elm, TX 75068-1629

Legacy Land  
P.O.Box 468  
Sulphur Springs, TX 75483-0468

Lhoist/Franklin Mineral  
9020 Overlook Blvd.  
Suite 200  
Brentwood, TN 37027-2754

M & M Custom Harvesting  
2323 Rd 750  
Bladen, NE 68928-7348

Marcel Van Zee  
3415 FM 1567 E  
Como, TX 75431-3845

Mastercard  
P.O.Box 30130  
Tampa, FL 33630-3130

Micro Beef Tech  
P.O.Box 847268  
Dallas, TX 75284-7268

Moo Town Dairy, LLC  
3415 FM 1567 E  
Como, TX 75431-3845

Moore Law Firm  
100 North Main St.  
Paris, TX 75460-4222

Mr. D Humphrey  
1700 Craig Ridge  
Sulphur Springs, TX 75482-5086

Multisteel Construction  
3990 FM 1870  
Sulphur Springs, TX 75482-8072

Ohio State Univ.  
700 Ackerman Place  
Suite 360  
Columbus, OH 43202-2328

PHI Financial Services  
P.O.Box 660635  
Dallas, TX 75266-0635

Pine Creek Nutrition  
502 E Main St  
Turlock, CA 95380-4518

Rinze DeGroot  
2821 FM 2948  
Como, TX 75431-4225

Ronnies Tire Service  
1604 East Loop 301  
Sulphur Springs, TX 75482-2100

SEC  
100 F Street, NE  
Washington, DC 20549-2001

Saginaw Flakes  
500 Burlington Rd.  
Saginaw, TX 76179-1308

Scott Johnson Farms  
120 US Hwy 84  
Farwell, TX 79325-4514

Sprint  
P.O.Box 660075  
Dallas, TX 75266-0075

Sunbelt Custom Min.  
1276 FM 2560  
Sulphur Springs, TX 75482-7708

Tejas Cattle Ind.  
800 Longhorn Trail  
Wimberley, TX 78676-4248

Texas State Comptroller  
Capitol Station  
Austin, TX 78774-0001

Todd Transportation  
P.O.Box 459  
Rockwall, TX 75087-0459

Tricounty Construction  
970 Texas HW 37 S  
Mount Vernon, TX 75457-6600

U.S. Attorney General  
Department of Justice  
Main Justice Building  
10th & Constitution Ave., NW  
Washington, DC 20530-0001

US Airways  
P.O.Box 13337  
Philadelphia, PA 19101-3337

(p)US BANK  
PO BOX 5229  
CINCINNATI OH 45201-5229

US Comm  
730 2nd Avenue South  
Minneapolis, MN 55402-3400

US Trustee  
Office of the U.S. Trustee  
110 N. College Ave.  
Suite 300  
Tyler, TX 75702-7231

United States Attorney  
110 North College Ave., Ste. 700  
Tyler, TX 75702-0204

United States Trustee  
110 North College Ave., Ste. 300  
Tyler, TX 75702-7231

Visa  
P.O.Box 30131  
Tampa, FL 33630-3131

Volvo  
P.O.Box 7247-0236  
Philadelphia, PA 19170-0001

Waste Management BV  
P.O.Box 276  
Lewisville, TX 75067-0276

Waste Management MT  
P.O.Box 276  
Lewisville, TX 75067-0276

Winkle Oil  
301 W. Carnegie  
Winnsboro, TX 75494-3105

Winkle Oil  
P.O.Box 62  
Winnsboro, TX 75494-0062

Wylie Sprayers  
702 E. 40th St.  
Lubbock, TX 79404-3006

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified  
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Internal Revenue Service -  
Centralized Insolvency Operations  
PO Box 21126  
Philadelphia, PA 19114-0326

US Bank  
P.O. Box 790408  
St.Louis, MO 63179-0408

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)Mr. D Humphrey  
1700 Craig Ridge  
Sulphur Springs, TX 75482-5086

End of Label Matrix	
Mailable recipients	79
Bypassed recipients	1
Total	80

Label Matrix for local noticing  
0540-4  
Case 10-43677  
Eastern District of Texas  
Sherman  
Mon Oct 25 08:24:03 CDT 2010

Alliance  
P.O.Box 500  
Sulphur Springs, TX 75483-0500

Attorney General of Texas  
Bankruptcy Reporting Contact  
OAG/CSD/Mail Code 38  
P.O. Box 12017  
Austin, TX 78711-2017

Bank of the West  
1075 Horsetooth Rd.  
Suite 208  
Fort Collins, CO 80526-5984

COBA  
1224 Alton Darby Creek Rd.  
Columbus, OH 43228-9792

Carlton Rice Hulls  
P.O.Box 125  
Prim, AR 72130-0125

Citibusiness Card  
P.O. Box 183051  
Columbus, OH 43218-3051

Commodity Specialist  
P.O.Box 795219  
St.Louis, MO 63179-0701

Crop Production Services  
2902 S Church St  
Paris, TX 75462-8906

Robert T. DeMarco  
DeMarco-Mitchell, PLLC  
1255 West 15th St., 805  
Plano, TX 75075-7225

Agriland  
3210 WNW Loop 323  
Tyler, TX 75702-1302

Alliance Bank  
P.O.Box 500  
Sulphur Springs, TX 75483-0500

Attorney General of Texas  
Taxation Division - Bankruptcy  
Box 12548 Capitol Station  
Austin, TX 78711-2548

CNH  
P.O.Box 894703  
Los Angeles, CA 90189-4703

Capitol One Bank  
P.O. Box 60599  
City of Industry, CA 91716-0599

Central Plains Trading  
4330 Shawnee Mission Parkway  
Suite 210  
Fairway, KS 66205-2522

Cody West  
2351 FM 1506  
Paris, TX 75460-5124

Ren H. Coumans  
3425 FM 1567 E  
Como, TX 75431

DATCU  
P.O.Box 827  
Denton, TX 76202-0827

Dejoux Red River Farms Inc  
18644 FM 197  
Sumner, TX 75486-3202

Alexander Alfalfa  
P.O.Box 7  
Hardtner, KS 67057-0007

American Express  
P.O. Box 650448  
Dallas, TX 75265-0448

Baker  
123 N Walnut Street  
Peabody, KX 66866-1059

CNH Capitol  
P.O. Box 1083  
Evansville, IN 47706-1083

Cardmenber Service  
P.O. Box 94014  
Palatine, IL 60094-4014

Chase  
P.O.Box 94014  
Palatine, IL 60094-4014

Commercial Glass  
405 IH 30 West  
Sulphur Springs, TX 75482-3685

Craddock Davis & Krause  
3100 Monticello Ave  
Suite 550  
Dallas, TX 75205-3466

Davis & Goldfarb  
1219 Marquette Avenue South  
Suite 200  
Minneapolis, MN 55403-2486

Dick Meyer bv  
N236 3rd court  
Coloma, WI 54930-9000

Diversified  
P.O.Box 95662  
Chicago, IL 60694-5662

Electric Motor Com  
P.O.Box 892  
1101 Como St.  
Sulphur Springs, TX 75482-4549

Fifth Third  
P.O.Box 630778  
Cincinnati, OH 45263-0778

Forshey Prostok  
777 Main St.  
Suite 1290  
Fort Worth, TX 76102-5316

Frazer Frost LLP  
135 S. State College Blvd..  
Suite 300  
Brea, CA 92821-5819

Genske Mulder Co.  
4150 E. Concourse Street  
Suite 250  
Ontario, CA 91764-5915

Hopkins County Vet Clinic  
129 Hillcrest Dr.  
Sulphur Springs, TX 75482-3644

(p)INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 21126  
PHILADELPHIA PA 19114-0326

Johnsons Rainmaker  
816 SW 26th Place  
El Reno, OK 73036-5874

Jongsma harvesting  
5664 N FM 2869  
Winnsboro, TX 75494-7492

Kahn Soares Conway  
1415 L Street  
Suite 400  
Sacramento, CA 95814-3963

Legacy Commodities  
P.O.Box 1629  
Little Elm, TX 75068-1629

Legacy Commodities  
P.O.Box 1629  
Little Elm, TX 75068-1629

Legacy Land  
P.O.Box 468  
Sulphur Springs, TX 75483-0468

Lhoist/Franklin Mineral  
9020 Overlook Blvd.  
Suite 200  
Brentwood, TN 37027-2754

M & M Custom Harvesting  
2323 Rd 750  
Bladen, NE 68928-7348

Marcel Van Zee  
3415 FM 1567 E  
Como, TX 75431-3845

Mastercard  
P.O.Box 30130  
Tampa, FL 33630-3130

Micro Beef Tech  
P.O.Box 847268  
Dallas, TX 75284-7268

Moore Law Firm  
100 North Main St.  
Paris, TX 75460-4222

Mr. D Humphrey  
1700 Craig Ridge  
Sulphur Springs, TX 75482-5086

Multisteel Construction  
3990 FM 1870  
Sulphur Springs, TX 75482-8072

Ohio State Univ.  
700 Ackerman Place  
Suite 360  
Columbus, OH 43202-2328

PHI Financial Services  
P.O.Box 660635  
Dallas, TX 75266-0635

Pine Creek Nutrition  
502 E Main St  
Turlock, CA 95380-4518

Rinze DeGroot  
2821 FM 2948  
Como, TX 75431-4225

Ronnies Tire Service  
1604 East Loop 301  
Sulphur Springs, TX 75482-2100

SEC  
100 F Street, NE  
Washington, DC 20549-2001

Saginaw Flakes  
500 Burlington Rd.  
Saginaw, TX 76179-1308

Scott Johnson Farms  
120 US Hwy 84  
Farwell, TX 79325-4514

Sprint  
P.O.Box 660075  
Dallas, TX 75266-0075

Sunbelt Custom Min.  
1276 FM 2560  
Sulphur Springs, TX 75482-7708

Tejas Cattle Ind.  
800 Longhorn Trail  
Wimberley, TX 78676-4248

Texas State Comptroller  
Capitol Station  
Austin, TX 78774-0001

Todd Transportation  
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Rockwall, TX 75087-0459

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Lewisville, TX 75067-0276

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301 W. Carnegie  
Winnsboro, TX 75494-3105

Winkle Oil  
P.O.Box 62  
Winnsboro, TX 75494-0062

Wylie Sprayers  
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